


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-350-C - ORDER NO. 2000-873

OCTOBER 27, 2000

IN RE: Application of Genesis Telecommunications, LLC for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services within the State of South Carolina.)	ORDER 
)	GRANTING
)	CERTIFICATE TO
)	PROVIDE LOCAL
)	SERVICES

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of Genesis Telecommunications, LLC ("Genesis" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide local exchange telecommunications services throughout the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1999) and the Regulations of the Public Service Commission of South Carolina.

By letter, the Commission's Executive Director instructed Genesis to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Genesis complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on August 31, 2000.

On September 18, 2000, counsel for SCTC filed with the Commission a Stipulation in which Genesis stipulated that it would seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Genesis provided written notice of its intent prior to the date of the intended service. Genesis also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Genesis agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Genesis to provide local services provided the conditions contained in the Stipulation are met. The Stipulation was entered into the evidence of the hearing, and the Staff requested that the Stipulation be approved by the Commission. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on October 4, 2000, at 11:30 a.m., in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. Genesis was not represented by counsel. Adelaide D. Kline, Staff Counsel, represented the Commission Staff.

Kenneth D. Jefferson, Jr., Vice President and Chief Executive Officer of Genesis Communications, L.L.C., appeared and testified in support of the Application. Mr. Jefferson stated his everyday duties at Genesis include responsibility for all facets of the Company's regulatory and external affairs and issues. Genesis is a South Carolina limited liability corporation which was granted a Certificate of Existence to transact business in the State of South Carolina by the South Carolina Secretary of State on May 31, 2000.

Mr. Jefferson testified that Genesis wishes to provide multiple virtual line service and digital subscriber line (DSL) service to residents of South Carolina. He stated he started a computer sales and service company in 1997, and about a year ago became an Internet Service Provider (ISP) with approximately 1,000 customers in the Greenwood area. He currently offers access to the Internet via wide area networks (WAN) and local area networks (LAN). Mr. Jefferson testified he now wishes to expand his services to become a competitive local exchange company (CLEC) in order to provide data services only; he does not intend to offer switched voice service at this time. He said the kinds of services his Company will offer are usually sold to business customers but he hopes, with certification and the accompanying discounts available to him, to be able to bring down costs so residential customers can afford his Company's services. Mr. Jefferson stated that it is necessary for Genesis to install collocation switches in order to provide the services he proposes to offer. He said he would receive a substantial discount as a CLEC so he feels he could offer a better rate to his customers if he receives a Certificate of Public Convenience and necessity from this Commission.

Mr. Jefferson stated that Genesis possesses the necessary financial qualifications to provide the services for which it seeks authority. Mr. Jefferson acknowledged that Genesis has sufficient capital necessary to fund its proposed operations in South Carolina. Genesis provided its financial information with its application to demonstrate Genesis's financial resources. Financial statements filed with the Company's Application and Mr. Jefferson's testimony indicate Genesis is financially strong. He explained that the Company's financial statement as of December 1999 reflected an \$11,000 loss as to net ordinary income but that this situation had improved significantly in the period from January through June of 2000 when the Company

realized net income of \$22,622.84. Mr. Jefferson testified that Genesis has a \$50,000 line of credit with Sun Trust Bank and also with First Citizens Bank in Greenwood, South Carolina. Mr. Jefferson testified he has personal resources available should Genesis need a capital infusion in the event of an emergency. Mr. Jefferson will be the Company's financial and regulatory contact person for Genesis.

Regarding the Company's technical ability and managerial abilities to offer services in South Carolina, Mr. Jefferson offered that Genesis has sufficient technical and managerial resources and abilities to provide the services for which authority is sought. He testified that Genesis has six people on its staff. He serves as General Manager and holds an Associate Degree in Business Management, a two year degree in Industrial Electronics, and a two year certificate in Office Automation Technology. Karen P. Jefferson is the President of Genesis. She holds a Bachelor of Arts degree from Lander University in Greenwood, South Carolina, and has eight years of legal experience with Legal Services Agency Western Carolina, Inc. John S. Lawrence, Jr. has twelve years experience in computer engineering. Brandy Drawdy is Assistant Vice President and the Company's customer service contact. Other management staff members are Brian Kneece and Joshua N. Senn.

As further evidence of the Company's abilities to provide the services for which authority is requested, Mr. Jefferson offered that Genesis's billing services will be done in-house. The Company's name and telephone number will appear on the bill. Mr. Jefferson said the customer care toll-free telephone number will be 1 (877) 610-6621. He stated the Company will abide by Commission regulations by providing a five day written notice before a customer is disconnected, and will make other tariff changes suggested by the Commission Staff.

The record reveals the Company plans to market its services through radio, television and newspaper advertising. Mr. Jefferson is aware of the Commission's marketing guidelines and testified the Company does not intend to do any telemarketing in South Carolina. Mr. Jefferson testified Genesis is currently negotiating an interconnection agreement with GTE which will be filed with the Commission for approval when Genesis receives its certificate. At this time, Genesis has no local service customers of its own in South Carolina, has never marketed its services in this State, and has never been denied certification in any state.

According to the application and testimony by Mr. Jefferson, Genesis requests a waiver of a Commission regulation. Genesis requests a waiver of 26 S. C. Code Ann. Reg. 103-631 (1976) so that it will not be required to publish its own local directory. Genesis also requests that the Commission allow it to maintain its financial records in accordance with Generally Accepted Accounting Principles (GAAP).

Mr. Jefferson affirmed that Genesis will provide services that meet the service standards of the Commission, that Genesis will participate in the support of universally available telephone service at affordable rates as required by the Commission, and that the services provided by Genesis will neither adversely impact the availability of universally affordable local exchange service nor adversely impact the public interest. According to Mr. Jefferson, approval of the authority for Genesis will provide consumers in South Carolina with additional choices of local service, and will offer increased efficiency to the existing telecommunications network. Mr. Jefferson also testified that Genesis will operate in compliance with the Commission's Rules and Regulations, orders and statutes.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Genesis is organized as a corporation under the laws of South Carolina. The Company received a Certificate of Existence from the South Carolina Secretary of State on May 31, 2000, to transact business in South Carolina.
2. Genesis wishes to provide local exchange services within the State of South Carolina.
3. The Commission finds that Genesis possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1999).
4. The Commission finds that Genesis's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1999).
5. The Commission finds that Genesis will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1999).
6. The Commission finds that Genesis will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1999).
7. The Commission finds that the provision of local exchange service by Genesis "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Genesis to provide competitive intrastate local exchange services within the State of South Carolina. The terms of the Stipulation between Genesis and the SCTC (attached hereto as Order Exhibit #1) are approved and adopted as a portion of this Order. Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation. In accordance with the Stipulation, Genesis may not provide any local service to a customer located in a rural incumbent LEC's service area, unless or until Genesis provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications as they may be entitled. If, after notice from Genesis that it intends to serve a customer located in a rural incumbent LEC's service area, and the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by Genesis in a rural

incumbent LEC's service area pursuant to this Order without prior and further Commission approval.

2. Genesis shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

3. Genesis shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. Genesis shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. Genesis shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Genesis shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages.

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more

commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Genesis to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Genesis shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Genesis shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the

Commission's website at www.psc.state.sc.us/forms. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

8. Genesis requested waivers from certain Commission regulations and requirements. Specifically, Genesis requested a waiver from the requirement found in 26 S. C. Ann. Reg. 103-631 (1976) to publish and distribute local exchange directories. For good cause shown, the Commission finds and concludes that Genesis should be granted the waiver, as requested, from the requirement contained in Reg. 103-631 to publish and distribute local exchange directories. Genesis has shown that it will arrange with the incumbent local exchange company to include the customers of Genesis in the directory listing of the ILEC directory. Genesis is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission. The Commission grants the Company's request to keep its books and records in accordance with GAAP rather than the USOA.

9. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.


10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)

DOCKET NO. 2000-350-C - ORDER NO. 2000-873
 OCTOBER 27, 2000
 EXHIBIT #1

BEFORE
 THE PUBLIC SERVICE COMMISSION
 OF
 SOUTH CAROLINA

Docket No. 2000-350-C

Filed 9/18/00
Accepted 9/19/00

Re: Application of Genesis Telecommunications,
 LLC for a Certificate of Public Convenience
 and Necessity to Provide Resold Local Exchange
 Telecommunications Services in the State
 of South Carolina

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Genesis Telecommunications, LLC ("Genesis") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Genesis's Application. SCTC and Genesis stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Genesis, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. Genesis stipulates and agrees that any Certificate which may be granted will authorize Genesis to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. Genesis stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.
4. Genesis stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and

until Genesis provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Genesis acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Genesis stipulates and agrees that, if Genesis gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Genesis will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Genesis acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

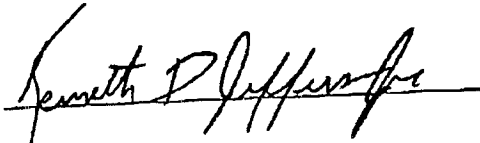
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Genesis, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Genesis agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

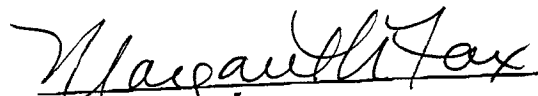
9. Genesis hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 7th day of September, 2000.

Genesis Telecommunications, LLC:



South Carolina Telephone Coalition:



M. John Bowen, Jr.
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Attorneys for the South Carolina Telephone
Coalition

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

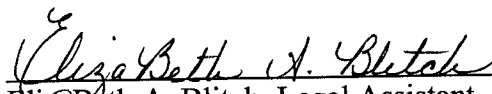
Docket No. 2000-350-C

Re: Application of Genesis Telecommunications,)
LLC for a Certificate of Public Convenience)
and Necessity to Provide Resold Local Exchange)
Telecommunications Services in the State)
of South Carolina)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Mr. Kenneth D. Jefferson, Jr., President
Genesis Telecommunications, LLC
Post Office Box 1594
Greenwood, South Carolina 29648.


ElizaBeth A. Blitch, Legal Assistant
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

September 18, 2000

Columbia, South Carolina